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## **AUDIT REPORT**

**Police Overtime: More Officers and Additional Controls  
Could Reduce Costs and Improve Accountability**

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The mission of the City Auditor's Office is to help City Council improve the performance and ensure the accountability of city government for the benefit of the citizens of Gresham.

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**Actions Are  
Necessary to  
Reduce the High  
Cost of Police  
Overtime**

## **SUMMARY**

While overtime is an inevitable part of police work and all police organizations rely on it to some extent to meet service requirements, Gresham's reliance on overtime is excessive. Audit results show the percentage of hours worked on overtime in Gresham was nearly double that of six other comparable cities in our region. Similarly, overtime hours per full-time sworn position was 79 percent higher in Gresham than in these other cities. The Department will need more officers and additional management controls to reduce costs and improve accountability. Best practices in police overtime management described in professional literature provide insights into the actions that will be necessary to control police overtime. The combination of more officers and additional controls should enable the Department to bring its overtime usage more in line with overtime use in other similar-sized cities in the region, resulting in saving of about \$300,000 a year.

## **Introduction**

Police organizations from across the country incur expenses for overtime for a variety of reasons. Some of the main causes of police overtime include:

- Temporary personnel shortages that make it necessary for officers to work extra shifts to maintain a minimal level of staffing;
- Criminal investigations, when investigators are called back to duty or when they must work more than a standard work week;
- Time necessary for officers to appear in court;
- Training, special events; and
- Working past the end of their scheduled shifts to process arrests.

Overtime cannot be eliminated altogether, regardless of the number of police officers employed, because of inevitable shift extensions, court appearances, unpredictable events, and contract requirements.

**Though  
Overtime Can  
Never Be  
Eliminated,  
It Can Be  
Successfully  
Controlled**

However, research suggests substantial opportunities for cost savings do exist. Moreover, reliance on overtime can have harmful consequences. Overtime can lead to officer exhaustion and accidents, unwillingness to provide service without tangible reward, increased antagonism between supervisors and line officers, and the undermining of professionalism. Finally, when overtime is repaid as comp time, a ripple effect may be produced if vacant positions must be filled by other officers working more overtime.

## **Background**

The Department's mission is to provide police services which involve the community in problem solving aimed at enhancing public safety and the quality of life and which respect the Constitutional rights of citizens. Its organizational structure includes the following five divisions:

- Field Operations is responsible for calls for service and includes most of the Department's staff;
- Investigations is primarily responsible for detective work;
- Records and Communication supports operational units by providing information support;
- Management Services provides fiscal, budget, analysis and other services; and
- Administration provides overall direction and management.

As shown in Figure 1, over the last three years, the Department's staffing has increased by 2 percent and its inflation adjusted spending has increased by 12 percent. Gresham's spending per capita for police services increased from \$174 in FY 2004 to \$190 in FY 2006, a 9 percent increase.

**Figure 1: Police Department  
Spending and *Staffing***

Adjusted for inflation, in current dollars

Unit	Actual Expenditures		Adopted Budget	3-Year Change
	FY 2004	FY 2005	FY 2006	
Field Operations	\$10,475,747 <i>90 FTE</i>	\$10,633,356 <i>94 FTE</i>	\$11,144,885 <i>93 FTE</i>	+6% <i>+3%</i>
Investigations	\$3,058,490 <i>31 FTE</i>	\$3,071,215 <i>27 FTE</i>	\$3,023,283 <i>27 FTE</i>	-1% <i>-13%</i>
Records & Communications	\$1,417,228 <i>23.5 FTE</i>	\$1,424,049 <i>23.5 FTE</i>	\$1,541,157 <i>22.5 FTE</i>	+9% <i>-4%</i>
Management Services	\$712,390 <i>7.5 FTE</i>	\$571,084 <i>6.5 FTE</i>	\$642,741 <i>6.5 FTE</i>	-10% <i>-4%</i>
Administration	\$244,604 <i>3 FTE</i>	\$478,486 <i>4 FTE</i>	\$602,506 <i>5 FTE</i>	+146% <i>+67%</i>
Designated Purpose Fund <sup>1</sup>	\$362,739 <i>0 FTE</i>	\$895,663 <i>4 FTE</i>	\$1,273,673 <i>4 FTE</i>	+251% <i>n/a</i>
Department Totals	\$16,271,197 <i>155 FTE</i>	\$17,073,854 <i>159 FTE</i>	\$18,228,245 <i>158 FTE</i>	+12% <i>+2%</i>
Spending per capita	\$174	\$181	\$190	+9%

Source: Auditor's analysis of Gresham adopted budgets

**Overtime  
Accrues at Time  
and a Half and  
Can Be Taken as  
Cash or Extra  
Time Off**

Under the collective bargaining agreement between the City of Gresham and the Gresham Police Officers Association, overtime is compensated at the rate of time and a half of regular salary rates. The agreement allows eligible police personnel to be paid for their overtime, or they may accrue comp time off in lieu of payment. Like paid overtime, comp time accrues at the rate of one and one half times the number of hours worked. Comp time can be used either for extra vacation or, up to six times per year, personnel may request payment for their accrued comp time.

Figure 2 summarizes overtime hours worked and costs for overtime during the three-year period from FY 2003 through FY 2005. It shows the number of overtime hours worked increased from 30,470 hours in FY 2003 to 36,215 hours in FY 2005, a 19 percent increase. Similarly, the Department's inflation adjusted costs for overtime (including cash

<sup>1</sup> Primarily grant funds

## Overtime Hours and Costs Have Been Increasing

payments, comp time accruals, and associated payroll costs for PERS, Social Security, MediCare, Tri-Met, and long-term disability insurance) increased from just under \$1.6 million in FY 2003 to over \$1.9 million in FY 2005, a 22 percent increase. Figure 2 also shows a large majority of overtime occurs in the Field Operations Division, which had the largest percent increase in overtime cost of any division during this period, a 29 percent increase.

**Figure 2: Overtime Costs and *Hours Worked***

FY 2003 through FY 2005

Unit	Expenditures, adjusted for inflation			
	FY 2003	FY 2004	FY 2005	3-Year Change
Field Operations	\$1,108,131 <i>21,135</i>	\$1,358,705 <i>25,670</i>	\$1,427,135 <i>26,593</i>	+29% <i>+26%</i>
Investigations	\$420,662 <i>7,537</i>	\$320,875 <i>5,643</i>	\$439,407 <i>7,661</i>	+4 <i>+2%</i>
Records & Communications	\$52,641 <i>1,520</i>	\$61,379 <i>1,738</i>	\$63,443 <i>1,736</i>	+21 <i>+14%</i>
Management Services	\$9,756 <i>181</i>	\$14,618 <i>271</i>	\$8,349 <i>160</i>	-14% <i>-12%</i>
Administration	\$5,239 <i>97</i>	\$81 <i>2</i>	\$2,548 <i>65</i>	-51% <i>-33%</i>
Department Totals	\$1,596,402 <i>30,470</i>	\$1,755,658 <i>33,325</i>	\$1,940,882 <i>36,215</i>	+22% <i>+19%</i>

Source: Auditor's analysis of Gresham payroll data

## Objectives, Scope, and Methodology

The purpose of this audit was to determine if the Gresham Police Department has developed the kinds of policies, procedures, and management controls described in professional literature or used by other police organizations necessary to prevent overtime abuse, excess, and waste. The audit did not evaluate any other questions. Fieldwork was conducted between January and June 2006. As a part of the audit, the City Auditor conducted research on effective overtime management practices as described in professional literature and performance audits

from other jurisdictions. The City Auditor analyzed budget documents, annual reports, pay and other financial records, other reports and studies, and pertinent sections of the Gresham Administrative Rules and Municipal Code. To gain an understanding of the Department's overtime management practices, the City Auditor reviewed written policies and other guidelines, interviewed department personnel, and observed dispatch operations. To obtain information about the use of police overtime in other jurisdictions, the City Auditor conducted a survey of six other similar-sized cities in our region. The audit was conducted according to generally accepted government auditing standards. The cooperation and assistance received from city staff in the Police Department and from other city staff was greatly appreciated.



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**More Officers  
and Additional  
Controls Are  
Needed to  
Reduce Police  
Overtime**

## AUDIT RESULTS

Audit results show the Gresham Police Department relies too heavily on overtime. While it is important to be realistic and recognize that some overtime will always be required, it is clear that the Department could improve its procedures for managing overtime. Insufficient staff is another significant cause for Gresham's heavy reliance on police overtime. More officers and additional controls could reduce total costs and result in a greater degree of accountability for tax dollars spent on overtime. Professional literature provides insights into how the Department could better track and evaluate the causes for its high overtime usage and develop strategies for controlling it.

### Gresham is More Reliant on Police Overtime Than Other Similar-Sized Cities in the Region

A comparison of police overtime use in Gresham and six other similar-sized cities in our region found the Gresham Police Department relies on overtime to a greater extent than do these other cities. As shown in Figure 3, overtime amounted to 15.8 percent of all hours worked by sworn personnel in Gresham's Police Department. That was nearly double the average rate of 8.2 percent for the other six cities.

**Figure 3: Police Overtime Hours as a Percent of All Hours Worked**

Sworn Personnel Only, FY 2005

City	Population	Overtime	Total	Ratio
Vancouver	154,800	26,264	333,092	7.9%
Salem	147,250	31,206	346,538	9.0%
Eugene	146,160	33,241	350,961	9.5%
<b>Gresham</b>	<b>95,900</b>	<b>32,319</b>	<b>203,966</b>	<b>15.8%</b>
Beaverton	83,095	15,380	219,215	7.0%
Hillsboro	82,025	14,963	213,770	7.0%
Medford	70,855	16,635	194,091	8.6%

**Average (excluding Gresham)**

**8.2%**

Source: Gresham payroll data and survey of other cities.

**Gresham  
Averaged 79  
Percent More  
Overtime Per  
Sworn FTE,  
Compared to  
Other Similar-  
Sized Cities**

A second comparison of overtime, focusing on hours per full-time sworn position, also shows higher than average overtime use in Gresham. Figure 4 shows sworn personnel in the other six similar-sized cities averaged 153 hours of overtime per FTE during Fiscal Year 2005. At 274 hours, Gresham averaged 79 percent more overtime per sworn FTE than the other six cities.

**Figure 4: Police Overtime Hours Per Full-Time Sworn Employee**

FY 2005

City	Population	Overtime Hours	Sworn FTE	Overtime Per FTE
Vancouver	154,800	26,264	193	136
Salem	147,250	31,206	180	173
Eugene	146,160	33,241	186.5	178
<b>Gresham</b>	<b>95,900</b>	<b>32,319</b>	<b>118</b>	<b>274</b>
Beaverton	83,095	15,380	119	129
Hillsboro	82,025	14,963	115	130
Medford	70,855	16,635	97	171

**Average (excluding Gresham)**

**153**

Source: Gresham payroll data and survey of other cities.

Gresham's rate of 274 overtime hours per sworn FTE also was higher than most police departments in other parts of the country. In a 1996 study of overtime sponsored by the National Institute of Justice, out of 75 departments surveyed with over 100 sworn officers, only 11 (14.7 percent) averaged more than 240 hour of overtime per sworn FTE.<sup>2</sup>

## **Research Provides Insights Into the Actions Necessary to Control Police Overtime**

A 1998 report on police overtime sponsored by the National Institute of Justice (NIJ) examined how state and local police departments managed overtime. Researchers reported there is a perception both inside and

<sup>2</sup> Bayley, David H. and Robert E. Worken, *Federal Funding of Police Overtime: A Utilization Study*, report to the U.S. Department of Justice, School of Criminal Justice State University of New York at Albany, June 1996.

**Research Shows  
Overtime Can  
Be Controlled  
With Analysis,  
Recordkeeping,  
Management,  
and Supervision**

outside the law enforcement community that overtime is overused, misused, and inadequately regulated. They found police departments around the country varied a great deal in the amount of attention they paid to controlling the cost of overtime. Best practices in overtime management highlighted in the NIJ study include the following:

**Analyzing Overtime.** Researchers suggest that police managers need to systematically monitor and question overtime expenditures to determine if they are justified in terms of work being done. They suggest monitoring the quantity and kind of work being done on overtime, as well as the circumstances of its use. Additionally, NIJ researchers advise it is critical for analysis to distinguish between paid overtime and comp time because paid overtime increases policing while comp time takes away from existing capacity. For this reason, they advise police agencies to consider if the work being performed on comp time is more important than the work being "scrimped" through comp time payback. Finally, NIJ researchers suggest police agencies analyze patterns of overtime expenditure by individuals, unit, and kind of work being performed because unusual payouts may be indications of abuse.

**Recording Overtime.** The NIJ study suggests it is important for police agencies to have current records and reports showing total obligations and payments for overtime. Researchers recommend reports of overtime use by individual officer and by organizational unit so managers can see when overtime exceeds predetermined thresholds. NIJ researchers suggest departments should produce reports showing the reasons and circumstances for overtime. Finally, the study recommended tracking overtime payments by funding source to distinguish those categories making a claim to a city's general fund versus claims against grants or contract funds.

**Managing Overtime.** NIJ researchers concluded that managing overtime requires commitment at the highest level of the organization. Researchers advise that recording, analysis, and supervision are all necessary but must be managed to ensure useful knowledge is available

**Effective  
Overtime  
Control  
Depends on  
Structured  
Policies Set at  
Senior Levels**

to managers who set overtime policies. The NIJ researchers propose several specific policies for departments to consider in the area of court appearances, shift extensions, staff size, emergency mobilizations, and special events.

**Supervising Overtime.** The NIJ study reports that middle-rank police commanders frequently complain that one of their major responsibilities is controlling overtime. They note, however, that most of the factors that determine overtime are beyond the control of any middle-rank managers and many first-line supervisors are not given the information needed to anticipate workload demands and adjust work schedules. NIJ researchers conclude that while overtime control looks decentralized, it is not. It is structured by policies set at more senior levels or from outside the police force altogether. Researchers suggest that overtime can be supervised by the officers themselves through peer pressure if amounts of overtime worked by individual officers are posted publicly at regular intervals. Knowing that overtime will be scrutinized by their peers, the NIJ researchers suggest that officers will be careful that extra hours claimed are justifiable in operational terms. The complete text of the NIJ report is reproduced in Appendix A.

Further study of this topic by the International Association of Chiefs of Police (IACP), National Law Enforcement Policy Center confirms the need for these actions. In addition, this study describes factors contributing to a reluctance to address overtime problems, including:

- "The view that overtime expenditures are required for the support of the public safety and welfare and therefore are not subject to normal audit and review processes."
- "The view that most overtime is the result of unforeseen circumstances that cannot be planned for or reasonably controlled."
- "The idea that overtime is a means of financial compensation for officers who often have low basic pay scales."

**Appropriate  
Controls are  
Necessary to  
Prevent  
Overtime  
Excess and  
Waste**

- "The fact that overtime is often a hotly contested element of contract negotiations between management and local police bargaining units that sometimes results in restrictions on management's ability to control overtime."

Researchers concluded that most excess and waste associated with police overtime has to do with the failure of police agencies to institute appropriate policy and management controls. The study was accompanied by a model policy on overtime designed to provide a structure for monitoring, managing, and controlling the use of police overtime. The complete IACP study is included in Appendix B; the IACP model policy is included in Appendix C.

### **The Department Has Some Basic Overtime Management Controls in Place**

The Gresham Police Department has some basic overtime management controls in place. According to its managers, the Department already has taken the following steps to help ensure that overtime use is held to a minimum:

**Supervisor Approval.** Managers report that the Department uses its command and control system as a primary mechanism to manage overtime. Overtime requests are approved by sergeants, then reviewed by lieutenants. According to command staff, the Department depends on its sergeants to control overtime. The Department attempts to have reports written on straight time.

**Assessments.** To ensure that response teams are not called out unless it is necessary, the Department conducts preliminary assessments using trained staff to make the evaluation. For example, before a crash team is called to the scene of an accident, the officer in charge of the team will assess the situation.

**Leave Denial.** Department managers report that supervisors will deny officer requests for time off if approval would result in staffing levels that are below specified shift minimum levels.

**Schedule Changes.** Supervisors sometime adjust schedules so officers can attend training sessions on straight time instead of overtime.

## **More Officers and Additional Controls Are Needed to Reduce Police Overtime**

The combination of lean staffing and insufficient controls contribute to Gresham's high use of police overtime. Gresham's staffing ratio for sworn personnel is lower than most of the other similar-sized cities in the region. Additionally, best practices identified in professional literature suggests new opportunities for additional overtime controls to improve public accountability and reduce costs. Some of the main causes of Gresham's unusually high use of police overtime include the following:

**The Department has too few fully trained police officers and consequently must rely on overtime to meet predictable workload needs.** Figure 5 shows Gresham has fewer sworn positions per 1,000 population than most other similar-sized cities in the region. At 1.23 sworn FTE per 1,000, Gresham's authorized police staffing level was lower than five out of six of the cities surveyed. Only the city of Salem had a lower staffing level for sworn personnel. Although only one factor contributing to overtime, Gresham's lean police staffing increases the odds that temporary personnel shortages will make it necessary for officers to work extra shifts to maintain a minimum level of staffing.

Cover shift overtime averaged over 800 hours per month during FY 2005, which is the equivalent of approximately six full-employees. If the Department had that many additional officers throughout the year, savings approaching \$200,000 would have been possible by replacing expensive overtime with straight-time wages. Over the last five years, cover shift overtime has been the largest cause of overtime accounting for 23 percent of all overtime hours worked in the Department.

**Gresham's  
Staffing Level  
Was Lower  
Than Five of the  
Six Cities  
Surveyed**

**Figure 5: Sworn Personnel per 1,000 Population  
Gresham and Six Other Cities**

Authorized Positions in Fiscal Year 2005

City	Population	Sworn FTE	Sworn per 1,000
Vancouver	154,800	193	1.25
Salem	147,250	180	1.22
Eugene	146,160	186.5	1.28
<b>Gresham</b>	<b>95,900</b>	<b>118</b>	<b>1.23</b>
Beaverton	83,095	119	1.43
Hillsboro	82,025	115	1.40
Medford	70,855	97	1.37
<b>Average (excluding Gresham)</b>			<b>1.30</b>

Source: Gresham Police Department and survey of other cities.

**The Department has not sufficiently defined its expectations for overtime use and management.** The Department lacks an explicit overtime management policy. While the Department has numerous policies that relate in some way to overtime, it does not have an overall overtime policy clearly explaining management's philosophy and providing a foundation for other components of overtime management. By adopting a policy similar to the model policy developed by the IACP's National Law Enforcement Policy Center, the Department could more clearly set the tone for overtime management within the department and strengthen the control consciousness of its staff.

**The Department's budget does not promote accountability for wages paid at a premium rate.** Audit results show Gresham has no readily available source of information showing the full cost of police overtime. Moreover, current budget and accounting methods provide no real spending limits because excess overtime is paid from other unspent funds, including salary savings from unfilled positions. Neither the Department's budget nor any other management report currently available show the full cost of police overtime. While the budgeted amount for police overtime has remained relatively stable in recent years at just over \$1 million, its actual full cost is approaching twice that

**Full Overtime  
Costs Were  
Nearly Twice  
the Budgeted  
Amount**



amount and has been increasing. Figure 6 shows the full cost of police overtime increased by 29 percent between FY 2003 and FY 2005, driven by a steep 120 percent increase in comp time.

### Figure 6: Summary of Police Overtime Costs by Category

FY 2003 through FY 2005

Category	FY 2003	FY 2004	FY 2005	3-Year Change
Overtime	\$1,007,940	\$1,055,394	\$1,125,565	12%
Comp Time	\$187,650	\$302,414	\$413,473	120%
Payroll Costs	\$312,169	\$354,524	\$401,843	29%
<b>Full Cost</b>	<b>\$1,507,759</b>	<b>\$1,712,332</b>	<b>\$1,940,881</b>	<b>29%</b>

Source: Auditor's analysis of Gresham pay records.

There are two reasons for the discrepancy between the Department's budget for overtime and the actual full cost for police overtime. First, the Department's overtime budget does not include costs for overtime worked but recorded as comp time. Under the police contract, officers have the right to receive either cash or comp time, at their discretion. However, because of the design of the City's financial system, overtime hours that are recorded as comp time are not tracked as overtime. Second, payroll costs (for PERS, Social Security, MediCare, etc.) are not tracked in the overtime budget.

**Overtime Taken  
as Comp Time  
Has Not Been  
Included in  
Overtime Totals**

**Comp time does not come out of overtime budget allocations and its use has been increasing.** Audit results show overtime hours recorded as comp time increased about three fold over the last five years, from 3,431 hours during FY 2001 to 9,960 hours in FY 2005. Largely due to this increase, total overtime use in the Department increased by 8.4 percent during this period. However, because the Department's budget and management systems were not set up to track comp time as a part of the department's overall overtime budget, the large increase went unnoticed.

**Researchers  
Point Out That  
Overtime  
Increases  
Policing Activity  
but Comp Time  
Represents Less  
Police Work**

Research on police overtime management suggests it is important to pay attention to comp time use -- and distinguish it from paid overtime use -- because comp time represents less policing and because every hour worked must be repaid at time and a half. Paid overtime, on the other hand, increases policing activity even though it is paid at the same premium rate. Also, Department staff report that federal and state grants have been an increasingly important revenue source to pay for police overtime. Due to an oversight discovered during the audit, it was determined that work performed under a grant, but recorded as comp time, is paid from the City's general fund and not from the appropriate grant fund. Consequently, the City is losing money when overtime incurred on grants is taken as comp time.

**The Department's ability to manage overtime is limited by insufficient data analysis.** The Department lacks a systematic process to review the major causes of overtime and consider approaches to avoid or reduce it. As discussed previously, NIJ researchers suggest that management of overtime requires the effective interaction of the functions of recording, analyzing, managing, and supervision. To evaluate overtime use patterns, NIJ researchers suggest police departments maintain the following records:

1. Total obligations and payments for overtime, including both paid overtime and comp time.
2. Obligations and expenditures of overtime by individual officers and commands or budgetary units.
3. The uses of overtime broken down by relevant categories such as: shift extensions, backfilling, call backs, court appearances, emergencies, planned events, meetings, and training.
4. Comp overtime opportunity costs (tasks not carried out because officers were granted time and a half off).

**The Department  
Lacks Many of  
the Overtime  
Management  
Reports  
Suggested by  
Best Practices**

5. Circumstances of overtime use: Is overtime occurring chronically in particular units? Is overtime concentrated at particular times of the year?
6. Sources of payments: Was overtime paid from the City's general fund? Federal or State grant funds? Private sources?

Currently, the Department has only one regularly produced report relating to overtime use. A pre-programmed report available from the City's financial system, the "monthly budget report" shows budgeted and actual amounts for all line items in the Department, including one line for overtime. However, because of the way the system is designed, overtime hours that are recorded as comp time are not tracked in the overtime category. Moreover, payroll costs associated with overtime pay also are not included in the amounts shown for overtime. Consequently, only about half of its full cost is shown in the overtime line. The Department has no other regularly produced management information reports showing overtime use patterns for individual officers, the reasons for overtime, or other reports suggested by best practices.

**More Officers Could Save Money in the Long Run but Will Require an Initial Investment**

Audit results suggest personnel costs for the Gresham Police Department are higher than necessary because the Department relies too heavily on overtime. Adding six officers could save money in the long run by reducing the need for cover shift overtime, but it would require an initial investment in salaries, equipment, and training of about \$600,000. Just as important, the audit suggests the Department needs to develop new procedures for monitoring and managing other categories of overtime. The combination of more officers and additional controls should enable the Department to bring its overtime usage more in line with overtime use in other similar-sized cities in the region, resulting in saving of about \$300,000 a year.

## **Conclusions**

Managing police overtime inevitably involves making difficult choices. On a daily basis, police supervisors must use their discretion to approve or deny overtime for a variety of worthwhile activities including criminal investigations, court appearances, arrest processing, special events, and so on. While the cost of police overtime is high, so too are the consequences of inadequate overtime. Gresham police officials correctly point out that overtime comparisons between jurisdictions raise some unanswered (and potentially unanswerable) questions and should be interpreted carefully. To what extent do differences in collective bargaining agreements account for differences in overtime usage? Are there significant differences in the ways jurisdictions use overtime for training purposes? These are just a few of the potential questions that Department officials may wish to research as they consider specific approaches for controlling overtime costs. How should decisions about overtime be made? Research into best practices suggest that overtime cannot be effectively controlled by front-line supervisors. A more structured set of policies set at senior levels or from outside the Department is necessary. Moreover, additional analytic reports of overtime could provide police managers with information to help them make decisions and explain to others the limits on their ability to control overtime.

## **RECOMMENDATIONS**

To improve accountability and reduce costs the Gresham Police Department should:

1. Work with budget and finance staff and the City Manager to develop stronger budget and accounting procedures for police overtime with the goal of becoming more accountable for the efficient use of overtime dollars. Any new budget procedures should have the goal of bringing overtime use more in-line with average use in other similar-sized cities. New procedures should

establish a clear budget target and spending controls that consider the full cost of overtime.

2. Develop a budget option package requesting authority for six new officers to reduce the need for cover shift overtime for consideration as part of the Department's FY 07/08 budget. Any such proposal to increase staffing should include specific accountability procedures under which the Department would annually report on its use of additional staff to reduce cover shift overtime hours and associated costs.
3. Review the IACP model overtime use policy, tailor it to meet the requirements and circumstances most relevant in Gresham, and adopt a policy clearly stating management's expectations for the use and management of overtime in the Gresham Police Department.
4. Organize a work group to develop overtime management information reports and control strategies based on best practices. Some potential new reports could include: total overtime expenditures to date, overtime activities report, top overtime earners, overtime by employee and activity, and overtime by work unit and supervisor.
5. Implement procedures necessary to ensure the City's general fund is not charged for overtime that should be charged to grants.
6. Seek ways to control and reduce the use of comp time. Some potential changes for consideration include: offering the option of separate checks for overtime (currently offered for comp time); restricting comp time when officers work overtime funded by grants; and seeking to amend the contract to require comp time be taken on an hour-for-hour basis, with the extra half-time amount taken as pay.

## **Response to the Audit**

To: David Dean, City Auditor

From: Carla Piluso, Police Chief

Date: August 17, 2006

Subject: Audit report on police overtime

The Gresham Police Department welcomed the assignment of the Police Overtime Audit by the City Council and now looks forward to developing strategies to better manage, report and further strengthen the internal controls of overtime use.

Overtime is an intrinsic cost of providing police services. The nature of criminal events, court appearances, and other public safety demands often requires police officers and civilian support staff to work beyond normal hours. The majority of the costs associated with overtime are based on contractual obligations. However, as demonstrated in the last contract negotiations, we have been able to find mutual benefit to both labor and management regarding cover-shift overtime. The negotiations resulted in an agreement establishing a higher rate of staffing before allowing time off, and also instituted sick leave monitoring. We will continue to work collaboratively with both the Gresham Police Officers Association and the Teamsters Union to identify mutually supportive means to effectively manage overtime hours, noting that the City must work within the constraints of the Public Employees Collective Bargaining Act passed by the Legislature.

The department has actively sought out grant funding to help pay for overtime activities. The Police Department successfully acquired significant funding from several overtime grants, such as enforcement efforts related to gangs, the Rockwood Weed and Seed Program, and DUII enforcement. And it's important to point out that, although there were initial difficulties related to grant-funded overtime, the problem noted in the auditor's report has been resolved and the City has not lost money in cases where overtime was taken as compensatory time.

Also as a result of this audit, we have been reminded of the fact that there are other overtime policies and procedures in several management documents in the City and the Police Department. It is clear that the Gresham Police Department overtime policies and procedures will benefit from being reviewed and updated. Now is an opportune time to complete a review of all Departmental policies and procedures, to incorporate best practices and assure consistency among documents. I believe the best strategy to achieve results in this area would be to engage the Gresham Police Department in the statewide and national accreditation process, which has long been a goal of the department.

This is a major undertaking that will take at least two years for completion and require additional staff. In the interim, the department will convene a work group, to include finance staff, to determine the best approach to track and report overtime.

Regarding the statement in the audit that the department's budget does not show the full cost of police overtime, this is related to a city-wide financial structure that identifies each operating cost separately. Payroll costs such as Social Security are classified as Employee Benefits rather than Overtime. According to finance staff, this is a recommended practice regarding the classification of costs as described in the GFOA's Governmental Accounting, Auditing and Financial Reporting book. As a result, this particular concern is not in the Police Department's purview to change.

The Police Department would welcome the addition of six police officers, as recommended in the auditor's report. In order to have these officers impact overtime use, it should be kept in mind that they would be assigned to patrol, where the greatest overtime costs are incurred. The increase in staffing will not be available to change the level of service should other service needs be identified by the police department, or the community. In addition, these officers likely will have a minimal impact on overtime during their initial 18 months of training before being assigned solo patrol.

The audit process was a new challenge for the Gresham Police Department. I commend your work and appreciate your candidness of thoughts, interpretations and vision.

## **Appendix A**





# National Institute of Justice

## Research in Brief

Jeremy Travis, Director

May 1998

### Issues and Findings

#### *Discussed in this Research in*

**Brief:** Results from a national study sponsored by NIJ on police overtime to examine how State and local police departments managed overtime and how local law enforcement agencies used Federal money authorized for overtime payments.

**Key issues:** Overtime work has been generally viewed from inside and outside the criminal justice community as overused, misused, and inadequately regulated. In the past 15 years, Federal support to State and local police agencies for overtime has grown. As a result, interest in whether funds used by local law enforcement agencies for overtime payments are well spent has increased.

#### **Study findings:**

- U.S. Department of Justice funding accounted for 60 percent of Federal support of State and local police overtime in 1994, with Operation Weed and Seed and the Edward Byrne Memorial State and Local Law Enforcement Assistance Grant Program being the primary providers of funding for local police agencies.
- Overtime was funded primarily through local sources; Federal funds accounted for 5 to 10 percent of local police overtime outlays, which were less than 6 percent of the departments' total budgets.

*continued...*

## Police Overtime: An Examination of Key Issues

*by David H. Bayley and Robert E. Worden*

There is a sense both inside and outside the law enforcement community that overtime is overused, misused, and only halfheartedly controlled. Federal officials want to be sure that the funds they award to local police agencies for overtime payments are well spent. Local police agencies are equally concerned. For this reason, the National Institute of Justice commissioned a study of the use of Federal funds provided to local law enforcement agencies for overtime. (See "Methodology" and "Federal Funding of Police Overtime.") This Research in Brief reports what we have learned about improving the management of overtime in American police departments.

The study discovered enormous differences among local police departments in the attention given to the issue, the capacity to produce information about it, and the policies and procedures for managing it. Clearly, some departments do an excellent job of managing overtime. This Research in Brief also shares information about some of these practices as a way to help agencies grappling with the issue and attempts to answer the following questions: Can overtime be responsibly managed? If so, how?

Very little has been written about the management of overtime, except to report that overtime management is viewed as a recur-

ring problem by both private- and public-sector managers.<sup>1</sup> Regarding overtime in policing, almost no information exists in the public domain. For this study, researchers canvassed the major professional organizations specializing in police research, as well as prominent police scholars, and could not find any studies of the use of overtime in policing. Management consultants write private reports to individual police agencies that sometimes address the overtime issue, but this is unpublished literature that is generally not available.

Police departments themselves have vast experience in managing overtime, but they have not yet shared that knowledge. Professionals contacted often chuckled when told of the topic being studied, urging that the research proceed but indicating that there were good reasons why no studies had been performed previously. The universal opinion was that the inquiry was long overdue but that the subject matter might prove too sensitive to study successfully. Readers should understand, therefore, that what the authors present here by way of suggestions for managing overtime very much represents a first cut at a difficult subject.

How does one control overtime in policing? The answer: by recording, analyzing, managing, and supervising. This Research in Brief

## Issues and Findings

*continued...*

- U.S. police departments varied enormously in the attention paid to overtime management and their ability to produce information about it.
- Overtime can be successfully controlled through a combination of analysis, recordkeeping, management, and supervision.
- Police managers should analyze overtime in terms of work done on paid overtime and on unpaid, or compensatory, overtime. Paid overtime increases policing activity, while compensatory time represents less policing because it must be repaid by taking time and a half from other activities.

**Implications:** Federal money invested in overtime by State and local law enforcement agencies does not supplant local spending on police overtime. Overtime should be viewed, within limits, as an unavoidable cost of policing. Overtime charges cannot be eliminated altogether, regardless of the number of police officers employed, because of inevitable shift extensions, court appearances, unpredictable events, and contract requirements. Concerns about overtime usage should be addressed through controlling overtime usage with improved management techniques.

**Target audience:** State and local law enforcement officials and administrators, city and county officials, criminal justice policy researchers and practitioners, and policymakers.

will examine each of these activities, so that police managers may better understand what they can do in a practical way to improve overtime performance.

The four activities listed would appear to suggest a temporal order of tasks for police departments: build databases, analyze them for patterns, make appropriate managerial decisions, and supervise the resulting policies. Nothing could be more mistaken. The key element that precedes all others is management. Useful records systems cannot be constructed unless managers anticipate what they need to know. Management is also essential for analysis, and analysis needs to be specified before responsive data systems can be designed. In other words, although it is certainly true that analysis cannot be done without records, records cannot be sensibly constructed without prefiguring analysis. Recording, analyzing, managing, and supervising are interactive, not sequential. The key is managing. One of the problems besetting contemporary policing, as managers everywhere ruefully recognize, is that the new computer-

based information systems pour out data that are not used. Unmanaged information systems are like the legendary sorcerer's apprentice—madly producing data that bury consumers.

In short, the management of overtime comes in two forms: creating an infrastructure for recording and analyzing the use of overtime and making policies about overtime based on an understanding of what is happening. The first sort of management precedes all other activities. The second sort can only take place if the first sort has been done well.

Recognizing that managerial decisions about the kinds of analysis and, consequently, of records that are needed must be made at the very beginning of any attempt to control overtime, the topics will be presented in the following order: analysis, recording, managing, and supervising.

## Analyzing overtime

What should managers know to ensure that overtime is used responsibly? What are the major questions they must

## F

### Methodology

Findings from this study are based primarily on information collected from three sources:

- An inventory of U.S. Department of Justice programs administered through the Bureau of Justice Assistance, Federal Bureau of Investigation, Drug Enforcement Administration, and Executive Office for Weed and Seed.
- A seven-page questionnaire on overtime expenditures and practices. This survey was mailed to 2,183 State and local police agencies—a representative sample of police departments that had responded to the 1990 Bureau of Justice Statistics Law En-

forcement Management and Administrative Statistics Survey (LEMAS).<sup>a</sup> Followup calls were conducted with 100 of the largest police agencies, which in the aggregate account for most of the police overtime worked in the United States.

- Case studies of overtime practices in 11 police departments of various sizes nationwide.

<sup>a</sup> Conducted by the Bureau of Justice Statistics, the LEMAS survey included all U.S. police agencies, except for half of those with five or fewer full-time personnel, which LEMAS data show generated little overtime.

## A Federal Funding of Police Overtime

number of observations on how Federal funds are used within local law enforcement agencies for overtime emerged from the study, including the following:

- Total Federal support for policing by State and local governments has been growing in the 1990s. Federal support for overtime has also been growing, but is difficult to estimate because expenditures are scattered among so many agencies (Department of Justice, Department of Housing and Urban Development, Department of Transportation, Department of the Treasury) and programs (Executive Office for Weed and Seed, Edward Byrne Memorial State and Local Law Enforcement Assistance Grant Program, Office of Community Oriented Policing Services).
- According to the study, the Department of Justice now accounts for approximately 60 percent of the Federal Government's expenditures on overtime by State and local law enforcement agencies.
- Federal expenditures by the Department of Justice invested in overtime by State and local law enforcement agencies do not supplant local spending on police overtime.
- By and large, overtime money is provided and used to supplement traditional programs, rather than to sponsor programmatic innovations. Federal expenditures shift enforcement priorities somewhat, but they do not bring about substantial organizational change.
- Although overtime expenditures by the Department of Justice provide a genuine increment in policing, analysis is needed to determine whether the increment is valuable enough to be paid for at premium wages.
- Police departments in the United States vary enormously in the attention they pay to overtime, their management of it, and their ability to produce information about it.
- Overtime should be viewed, within limits, as an unavoidable cost of policing. Overtime charges cannot be eliminated altogether, regardless of the number of police officers employed, because of inevitable shift extensions, court appearances, emergency situations, and contract requirements.
- Reimbursing overtime in money is preferable to reimbursing in compensatory time. Paid overtime increases policing activities, while

compensatory time results in less policing because every hour worked must be repaid by the department at time and a half—time taken away from other activities.

- Reliance on overtime in American policing may have harmful consequences that are not sufficiently considered by police managers, such as exhaustion on the part of officers, unwillingness to provide any service without a tangible reward, increased antagonism between supervisors and line officers, and the undermining of professionalism.
- Overtime practices represent substantial possibilities for cost savings. Though overtime can never be eliminated, it can be more successfully controlled.
- Publicizing the practices of police departments found to excel in regulating overtime can contribute to improving overtime management nationally.
- The key to improving overtime management is foresight on the part of senior officers, which requires attention to analysis, recordkeeping, and supervision.

continually ask about overtime in their departments?

**Are overtime expenditures justified in terms of the work being done?** Because overtime represents police work performed at premium rates—time and a half—managers need the ability to determine whether the same work could be performed at less cost on straight time. Thus, they need to know how much of their agency's work is being performed on overtime, what sort of work it is, and the circumstances of its use.

When analyzing the cost-effectiveness of overtime, it is critical to distinguish

work done on paid overtime from work done on unpaid, or compensatory, overtime. Work done on paid overtime generally increases policing activity, even though paid at time and a half. The cost is borne by city councils as an addition to the police budget. Compensatory time, on the other hand, represents less policing because every hour worked must be repaid by the department at time and a half. Compensatory time comes out of existing capacity. Therefore, managers need to be able to determine whether the work performed on compensatory time is more important than work being "scrimped" through the compensatory time payback.

The implication for recordkeeping is that not only must records on paid time and compensatory time be kept, but also information on their respective uses, including the nature of the work forfeited to pay for compensatory time. These are called opportunity costs—the costs of taking one action at the expense of another.

**Do the police and the local government have the capacity to pay for overtime?** Answering this question requires police managers to know whether they are "on budget" throughout the year, so as to avoid cost overruns and consequent political exposure. This

means managers need to know how much has been spent throughout the current fiscal year and how the rate of expenditure compares with previous years. They should also examine current expenditures against likely future contingencies; planning requires forecasting overtime needs based on analyses of past patterns. Although some overtime expenditures cannot be predicted, repeated surprises indicate a lack of analysis. As the philosopher George Santayana said, "People who do not know the past are doomed to repeat it."

Because compensatory time does not come out of existing budgetary allocations, some police departments do not monitor its use as systematically as they do paid overtime. Compensatory time is not costless. Unless police departments keep close track of the amount of compensatory time earned and paid back, cities may suddenly face large unfunded liabilities—financial payouts they have not anticipated. In some departments of officers who do not use their compensatory time can claim it as money at retirement. Police departments also need to track accumulations of compensatory time by individual officers, because departments cannot require officers (under the Fair Labor Standards Act or their own labor agreements) to work more than specified maximums of compensatory time without being paid.<sup>2</sup> Overtime beyond this amount must be paid as money. Police departments need to know where they stand with respect to this obligation.

**Is overtime being abused?** "Abused" here is defined as being used in ways that cannot be justified and may cause embarrassment to the organization. Generally, overtime abuses take the form of large, undetected overtime earnings by individuals or units within a police department. Such abuses represent a failure of supervision, which in turn reflects the inability of an organization to know,

in a timely manner, what is happening. To avoid embarrassment, police departments need to analyze patterns of overtime expenditure—both as time and as money—by individuals, by units, and by the nature of the work performed. Unusual payouts to individuals or units may indicate problems of organizational management.

In sum, if a police department is to manage overtime, it must be able to justify expenditures in terms of the work performed, to anticipate the rate and amount of payouts, and to explain why overtime had to be paid to particular individuals and units at particular times.

## Recording overtime

To analyze the issues described above, the following records must be current:

- **A police department's total obligations and payments for overtime,** both paid overtime and compensatory time.
- **Obligations and expenditures of overtime** by individual officers and commands or budgetary units—for example, investigations, traffic, patrol, and SWAT. Computer programs can automatically notify managers whenever overtime obligations exceed specified thresholds—for example, when a police officer earns more than 10 percent of monthly salary or at a projected yearly rate over \$25,000, or when a unit's overtime budget is running 10 percent ahead of the previous year's expenditures.

• **The uses of overtime.** Setting up a system that adequately captures the uses of overtime requires forethought because relevant categories can vary with local conditions. The most common categories are holdovers or shift extensions; backfilling or buybacks (that is, paying people on leave to fill temporary vacan-

cies); holidays; briefings and roll calls; court appearances; callbacks to duty; emergencies such as homicides and snowstorms; planned events beyond normal duty, for example, traffic control at venues; and meetings or training outside of working hours.

Monitoring the opportunity costs associated with compensatory overtime involves identifying those tasks that were not carried out because officers were granted time and a half off. This tracking is key to determining the true public safety cost-effectiveness of claiming overtime as time, rather than as money.

• **Circumstances of overtime use.** Knowing where, when, and under what circumstances overtime was incurred is necessary if managers are to anticipate overtime, to justify its payment, and perhaps to find ways to reduce the need for overtime expenditures. For example, if overtime occurs chronically in particular units, then hiring additional officers or reallocating existing personnel may solve the problem. On the other hand, if overtime is concentrated at particular times of the year, hiring additional staff would probably not be the solution.

• **Sources of overtime payments.** Records of such sources of overtime funding as city councils, State government, Federal Government, or private consumers should be kept. When tracking city expenditures, it would be useful to separate overtime accounts from the general fund, the police budget, and charges against the budgets of other municipal agencies.

Not surprisingly, it appears that police departments invest resources in collecting information primarily when it has clear fiscal significance. Of the police departments responding to the overtime survey, the majority (69 percent) were able to provide all 5 years of expenditure information (1990–94);



a much smaller percentage (38 percent) was able to provide the number of overtime hours worked.

Respondents provided limited information about overtime's functional uses. Among respondents who reported the total number of overtime hours, about 40 percent accounted for all (or virtually all) of those hours by functional category, while another 40 percent could account for about half. The limited ability to monitor and report information about overtime appeared in police agencies of all types (though sheriffs' departments in this study were somewhat less likely to be able to report overtime information, and State police agencies somewhat more likely) and occurred in all regions of the country.

Developing informative record systems need not be a particularly daunting or costly activity. Commitment seems to be the critical ingredient. Record systems can be put in place within a year or so, with the largest cost probably being incurred for staff to input data. Departments can also make the transition more easily by adapting systems already developed by other departments. Every region of the country has exemplary departments that have developed protocols for recording and analyzing data, programs that automatically provide managers with perspective on overtime. (See "Dollars and Recordkeeping.")

## Managing overtime

Again, it is important to note that managing is not a separate activity from recording, analyzing, and supervising. Recording, analysis, and supervision are required for successful overtime management, but they must be managed so that useful knowledge is available to the managers who set overtime policies. Responsible overtime management requires leadership from the top.

If the chief is indifferent about overtime, the support systems—both human and technical—necessary to manage overtime will be neglected. A chief's indifference will also leave middle managers exposed—reluctant to go where the chief prefers not to tread, but at risk if overtime problems occur.

It is also important to be realistic about what management can achieve in controlling overtime. For example, some shift extensions are inevitable because police officers generally work 8-hour shifts, and time-consuming problems can occur at any time. Sensational crimes or natural disasters are impos-

sible to predict and require extraordinary outlays of effort. Police work also inevitably generates court appearances, roll calls, meetings, and holidays. This sort of overtime can be viewed as a fixed cost of normal policing and will occur regardless of the number of officers employed. Overtime is not a discretionary category that can simply be managed out of existence. Policymakers and the public should be wary about judging the police according to unrealistic expectations.

Overtime is also critically affected by labor rules—the "contract"—that mandate uses and rates. Visits to police

## I Dollars and Recordkeeping

In the one department surveyed in which *all* overtime is compensated with dollars, rather than compensatory time, we found one of the most complete and sophisticated information systems for monitoring overtime use.<sup>a</sup> In that department, hours worked and dollars paid were tracked by organizational unit and by function, and this information was updated and disseminated to department managers every 2 weeks.

By contrast, another department, in which much of the overtime was compensated with time off rather than money, had a much more limited capacity to monitor overtime. Numbers of hours worked by individuals were tracked carefully within each division over the course of each 28-day work cycle, so that steps could be taken to minimize the likelihood that patrol officers would accrue hours for which they must be compensated monetarily and at a higher (time and a half) rate. But the aggregate patterns of overtime work were not monitored, and the only information that could easily be retrieved (from payroll records) for analysis was information on expenditures. Overtime

could be analyzed in terms of the activities that were performed only by manually reviewing the paper forms that officers completed.

In another department, overtime was typically compensated monetarily. However, little overtime was incurred, partly because it had to be preauthorized by supervisors, and supervisors took steps to avoid overtime work. Given that overtime was not considered a significant budgetary issue, little information was computerized for analysis. Records of overtime were available, and particularly detailed records of overtime incurred under the auspices of Federal grant programs were kept, but they were not routinely compiled and analyzed; the latter records were available in the event of a Federal audit.

<sup>a</sup> An equally complete and sophisticated information system was found in a department that uses both compensatory time and paid compensation. This department is widely regarded as one of the most progressively managed in the country. Furthermore, it is very concerned about the prospect of unfunded liabilities.

departments revealed the following examples of contract stipulations with respect to overtime:

- Any court appearance by an officer, no matter how short, earned a fixed minimum amount of overtime, as much as 3 to 4 hours.
- Officers called back to work were guaranteed a minimum of 2 hours of overtime, no matter how long they actually worked.
- Supervisors who were on standby in the event of an emergency earned a minimum of 3 hours overtime.
- Patrol officers were given between 15 and 30 minutes of overtime each shift for attending roll calls.
- An officer waiting at home to be called to court was allowed a fixed amount of overtime, on the premise that the officer was forfeiting an opportunity to work at another job.
- All meetings outside the department were charged to overtime.

In the survey, 45 percent of police departments reported that overtime was governed by collective bargaining agreements; 39 percent said that such agreements applied specifically to patrol personnel, which is the largest specialty among police officers.

Some departments have tried to divide overtime expenses according to whether they are controllable—probably a fruitless exercise. The issue generally is not whether a particular form of overtime is controllable, but rather by whom and at what cost. Contract stipulations, for instance, are frequently treated as uncontrollable. This may be true from line supervisors' point of view, but not from the view of senior managers who are responsible for contract negotiations. Contract provisions are controllable in principle, even though the likelihood of

doing so, given the political power of unions, is small. Even in the case of shift extensions, the option exists for police to pass work to later shifts. All overtime is potentially manageable by someone, but the costs of doing so in some cases are greater than the benefits. So, when departments say that some proportion of overtime is not controllable, they are making a judgment about options they are willing to try. Their willingness may be based on entirely correct assessments of what is likely to be achieved.

Interviews with police officers nationwide yielded several suggestions for policies to control overtime more tightly.

**Court appearances.** Agreements between police and court personnel could improve overtime usage. For example, policies could call for court appearances to coincide with usual working hours, rather than with time off. While officers are waiting to appear, they can be given indoor work, such as staffing property rooms, interviewing complainants, preparing shift rosters, or answering questions on the telephone. In addition, district attorneys can be asked to subpoena only those officers listed on arrest reports whose testimony might be important. There is no reason for supervisory personnel to appear in courts, since their testimony would be hearsay. Police can be asked not to list supervisory personnel on incident reports and arrest warrants.

**Shift extensions.** Responsibility for approving shift extensions rests with immediate supervisors. Managers can assist immediate supervisors by providing them with updated and revised guidelines for approving shift extensions, as well as by reviewing their performances periodically. Survey results show that immediate supervisors were authorized to approve overtime in 91 percent of the responding police

departments, and 73 percent had guidelines that specified the purposes for which overtime could be used.

A more general solution, well beyond the capacity of any police force to enact, is to abolish the 40-hour week as the basis for overtime, aggregating hour-maximums by months or years.<sup>3</sup> This would allow departments to require longer hours of work for short periods without incurring overtime costs, compensating officers by less work during slack periods. In 1995, a U.S. Representative proposed hearings on the idea.<sup>4</sup>

**Staff size.** Persistent backfilling, or employing off-duty officers to fill necessary positions, indicates a chronic shortage of personnel in relation to work needing to be completed. Since local governments determine the strength of police forces, this imbalance is generally beyond the ability of departments to fix unless hiring is allowed. Departments may, however, be able to reduce the period of the imbalance, and hence overtime, by shortening the time needed to recruit and train new police officers. Departments may even consider using civilians, volunteers, or police academy students in nonenforcement lines of police work, thereby freeing experienced personnel for tasks requiring powers of arrest or those where minimum staffing levels must be maintained.

**Emergency mobilizations.** By carefully studying all unplanned emergency mobilizations, departments can determine how best to use existing capacity and thereby minimize callbacks or extensions. Emergencies require overtime, but they do not justify unlimited overtime. To some degree, overtime can be minimized in emergency situations by fine-tuning responses and making them more efficient, as well as by building the capacity to handle contingencies that singly are unpredictable

but in the aggregate are not. These possibilities are probably more likely for large departments, which can often develop such procedures more easily than small departments, because unpredictable events occur in greater numbers in their jurisdictions and therefore can be “averaged” on a yearly basis. In a small department, on the other hand, events such as a sensational murder may occur once every 20 years.

**Special events.** Departments often pay officers overtime for handling special events, such as crowd control at festivals or traffic at sporting events. Because these are episodic, it is not cost effective to maintain capacity to handle them. If these events are privately sponsored, departments might consider requiring sponsors to pay the costs of policing as a condition for granting a permit. Many large cities now require event sponsors to complete official statements regarding the effect of special events on police duties. The Madison, Wisconsin, police department, for example, requires that a police impact statement be filed as part of the permit process. In addition, cities and police departments should develop policies about when the costs of policing special events are to be publicly or privately borne. This may be a touchy political matter. For example, some local ordinances (strongly supported by police unions) require police, rather than private security, to work such events. Finally, work schedules of police could be adjusted, if permitted by contract regulations, so that officers can accumulate slack time that can later be allocated for policing predictable manpower-intensive events.

We determined from site visits that police departments throughout the country are experimenting with ways to minimize the burden of overtime. Frustrated by the rigidities of current practice and

fearful of embarrassing public revelations, concerned managers are learning valuable lessons about managing overtime. Unfortunately, this knowledge is not being systematically collected and shared within the profession, which does not generally know which departments are the benchmarks for overtime management. Hence, a national canvas of techniques for managing overtime could be worthwhile to practitioners.

### Supervising overtime

Supervision of overtime is often seen as the first line of defense against overtime abuses. Middle-rank commanders everywhere complained that one of their major responsibilities is controlling overtime. They believe it is critical to how they are judged as commanders. In fact, front-line supervision of overtime is the last line of defense, and supervisors are often made the scapegoats for more general failures of management. Most of the factors that determine overtime are beyond the control of any middle-rank manager, such as contract regulations, calls for service, crime emergencies, vacations, injuries, retirements, and approval for special events.

Although first-line supervisors formally approve overtime, in some departments their ability to refuse is restricted. Moreover, in many departments first-line supervisors are frequently not given the information needed to anticipate demands and adjust work schedules. With inadequate recordkeeping and analysis, supervisors cannot control overtime, they can only audit it. The control of overtime looks to be decentralized, but in reality it is not; it is structured by policies set at more senior levels or from outside the police force altogether.

Overtime can also be supervised by the officers themselves through peer pressure if amounts of overtime worked by

individual officers are posted publicly at regular intervals. We visited several departments using this method. Knowing that overtime will be scrutinized by their peers, officers will be careful that extra hours claimed are justifiable in operational terms.

Successful management of police overtime requires assistance outside police departments. At present, police managers often fear that providing outsiders, such as city councils and the media, with information about overtime practices will expose the department to unfair criticism. This is one reason why some departments are reluctant to implement computer-based monitoring and online analysis of overtime. Police managers should realize, however, that factual information about overtime, if it is properly explained, can strengthen their position in advocating needed reforms both inside and outside their organization. Managers have more to fear from lack of information than from too much. Gradually, information in the public domain about overtime will expand. Some cities now regularly report all forms of overtime to city councils and even encourage the media to publish their departmental pattern analyses.

City councils and other outside auditors should also understand that overtime cannot be effectively controlled by front-line supervisors. They should not allow senior officers to pass the responsibility for managing overtime to junior officers. Councils and the media could be educated, most likely by police themselves, about the elements of an effective overtime management system. Analytic reports of overtime could provide police managers with information to explain to others the limits on their ability to control overtime and to construct a fact-based division of responsibilities between themselves and city councils. Police managers have more to gain from

making overtime information available and visible than from keeping it hidden.

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## Notes

1. The authors would like to thank Professor Hal Gueutal, School of Business, The University at Albany, State University of New York, and his graduate students for searching the economic and business literature.
2. Under the Fair Labor Standards Act, an officer who agrees to work compensatory time in lieu of cash cannot accumulate more than 480 hours during a lifetime. Many union contracts stipulate more restrictive maximums.
3. Mazur, Laura, "Coming: The Annual Workweek," *Across the Board* (April 1995): 42-45.
4. Laabs, Jennifer, "The Changing Workplace Stirs Up Overtime Pay Debate," *Personnel Journal* (April 1995): 12.

Findings and conclusions of the research reported here are those of the authors and do not necessarily reflect the official position or policies of the U.S. Department of Justice.

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NCJ 167572

This study was conducted by David H. Bayley, Ph.D., and Robert E. Worden, Ph.D., from the School of Criminal Justice, The University at Albany, State University of New York. This research was supported by the National Institute of Justice, U.S. Department of Justice, through grant number 95-IJ-CX-0020.

Copies of the full report of the study, *Federal Funding of Police Overtime: A Utilization Study*, are available from the National Criminal Justice Reference Service (NCJRS) on a cost-recovery basis. To order, call NCJRS at 800-851-3420 and ask for NCJ 170614.

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## **Appendix B**

# IACP National Law Enforcement Policy Center

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## Overtime

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### Concepts and Issues Paper

May 1, 2000

## I. INTRODUCTION

### A. Purpose of the Document

This document is designed to accompany the *Model Policy on Overtime* developed by the IACP National Law Enforcement Policy Center. This paper provides essential background material and supporting documentation to provide greater understanding of the developmental philosophy and implementation requirements for the model policy. This material will be of value to law enforcement executives in their efforts to tailor the model to the requirements and circumstances of their community and their law enforcement agency.

### B. Background

*"Police overtime costs soaring: Some City Council members say review needed."*

These actual headlines are only an example of many like them that routinely draw attention to an issue affecting nearly all police agencies. As in this case, such public attention generally charges or indirectly implies that the local police agency is misusing overtime funds or that it lacks the wherewithal to properly manage and control overtime expenditures.

In some isolated cases where agencies do not have appropriate policy to manage overtime, there has been systematic abuse of overtime that borders on fraud. For example, a recent scandal involved officers who amassed court overtime by signing on to DUI arrest reports and other misdemeanor arrests as witnesses simply to be subpoenaed to court. This scam resulted in the loss of tens of thousands of dollars in public funds until it was uncovered by a local investigative news organization. The officers involved were brought under public scrutiny along with their agency in a highly publicized scandal that brought the police department into disrepute.

While abuse of overtime by individual officers occurs, it is the exception to the rule. Most excesses and waste associated with overtime have to do with the failure of police agencies to institute appropriate policy and management controls. These include written policies that require compliance with the Fair Labor Standards Act (FLSA), advance approval of overtime by supervisory personnel, written justification for overtime work, provisions for staff and line audits of overtime expenditures, and pro-

visions for reporting overtime expenditures in the annual budget and similar reporting documents during the course of the fiscal year. These are among the issues that the *Model Policy on Overtime* addresses.

Viewed on a more comprehensive basis, management of overtime is affected by many agency staff management policies, particularly those relating to the manner in which agencies fill staff shortages including long-term and short-term staff requirements. For example, how do agencies backfill positions to cover sick leave and other forms of leave or short and long-term absences? How does the agency deal with staff vacancies?

Overtime is also affected by the mission requirements of the agency. The police agency must perform certain tasks as well as any specially mandated programs or initiatives arising from political and community demands or internal enterprises. This includes for example, joint task forces, special sting or undercover operations directed toward abatement of target crimes, or any number of other community initiatives that have political and social urgency attached to them. Periodic yet sporadic mission requirements can also create special staff demands. These include such activities as response to demonstrations, crowd control at special events, natural disasters, or emergencies, among other occurrences. Under these or similar situations, how does the agency balance the need for mission accomplishment with limited staff resources? Is overtime the typical answer to these demands and, if so, is it a reasonable and cost-effective alternative to other options such as permanent staff additions, or the restructuring of existing personnel and related resources?

In essence, overtime management performed properly involves a comprehensive perspective. Viewed from the overall police profession, a factor that has contributed to failure to address overtime problems is the general taboo about discussing this subject at all. In some ways, overtime has been viewed as a sacred cow issue within the police community. This is due to a number of factors, including:

- the view that overtime expenditures are required for the support of public safety and welfare and therefore are not subject to normal audit and review processes;
- the view that most overtime is the result of unforeseen circumstances that cannot be planned for or reasonably controlled;
- the idea that overtime is a means of financial compensation for officers who often have low basic pay scales; and

- the fact that overtime is often a hotly contested element of contract negotiations between management and local police bargaining units that sometimes results in restrictions on management's ability to control overtime.

Some of the waste and misuse of overtime is also attributable to the inability or unwillingness of some city and county administrators to hold police agencies accountable for overtime usage. Many political bodies fear that critical review of overtime may be perceived by the public as a lack of concern for public safety. The perception by even a few citizens that the city or county could be jeopardizing public safety to save a few dollars is anathema to most elected officials. Moreover, many political leaders at the local level do not understand the intricacies of overtime usage and management within police agencies. The words of one city councilman reflect this problem when he noted that:

*"Overtime has been an issue every year, and every year, we're told if we hire these additional people that we should be seeing decreases in overtime or more control over it. The raw figures look like the exact opposite is taking place."*

The above comments were made after city officials found that the allotted overtime budget was almost exhausted just halfway through the year. But these comments also suggest a lack of information and understanding by these officials concerning how and why some overtime costs are incurred. Certainly, in this case, adding additional personnel could be a means of reducing overtime costs if new personnel were dedicated to pick up the work formerly performed by staff overtime. But the answer is generally not this simple within a law enforcement agency. There are limitations on the degree to which overtime can be reduced within police departments. What is more, in the foregoing example, additional personnel could lead to additions in overtime expenditures if hiring more officers results in additional arrests and court overtime expenditures and if appropriate staff and programmatic adjustments are not made.

But if local leaders do not understand or know enough to ask the right questions concerning overtime with the local police agency, police officials should not shrink from their responsibility to enlighten them. Local government officials rightfully expect complete explanations of the need for and uses of overtime monies. Police administrators need to be in a position to determine and adequately explain to them and others how overtime monies are being spent. Failure to do so is not a protection from intrusions in this or any other domain of police agency management. Rather, it creates an environment that can jeopardize the continued availability of needed overtime funds for essential functions.

The long and short of it is that police officials, as trustees of public monies, must be in a position to assess whether premium wages expended through overtime are justified in relationship to the services being provided. After all, in many agencies, a sizeable proportion of salaries are devoted to or eaten up by overtime.

## II. POLICY RECOMMENDATIONS

### A. Reporting and Analysis

In the context of the foregoing background information, the *Model Policy on Overtime* provides a number of recommendations and protocols for managing overtime. The key word here is "management." The management of overtime requires the effective

interaction of the functions of recording, analyzing, managing, and supervising. To manage overtime effectively, agencies must determine the types of information that they need to monitor overtime use and establish or ensure that the necessary mechanisms are in place to capture that information. From this position of informed judgment, administrators can then establish or refine policies needed to effectively manage this function.

For example, the model policy recommends that all overtime worked must be approved for payment by a designated supervisor. This provides an initial level of management control that helps to ensure the efficacy of using overtime and a means of accountability for overtime usage. The model also requires that the category of overtime work performed be "coded in accordance with agency personnel procedure and forwarded by unit commanders to the designated agency unit for recording, accounting and analysis." The model designates three general areas in which overtime should be classified:

1. *Paid overtime and unpaid compensatory time will be recorded separately.*

2. *Overtime expenditures shall be kept separately by function (e.g., briefings and roll calls, training, investigations) and by the agency unit in which the expenditure is incurred. Individual and summary data will be compiled on at least a monthly basis.*

3. *Overtime funds expended under federal or state grant programs will be accounted for separately from those in the general budget.*

These requirements are necessary because a first step in managing and controlling overtime is to gain understanding of the types of work that is being performed on overtime. The ultimate question that must be asked once all information is available in each case is whether there is sufficient justification to perform that work at the premium salary rate.

The records kept and the subsequent assessment that is made must distinguish between *paid overtime* and work performed on *unpaid compensatory time*. The advantage of paid overtime is that it generally extends policing activities. Activities performed on paid overtime provide greater flexibility to ensure that essential tasks are completed in a timely and effective manner (e.g., extended shifts to interrogate arrestees). Overtime is also often essential in meeting short term, unpredictable staff needs that cannot be deferred or met in any other manner, such as call backs in response to natural disasters.

Conversely, unpaid compensatory time off ultimately draws from police activities. This happens when officers take the compensatory time off. When this happens, supervisors must be in a position to fill these vacancies in some manner or risk not performing needed tasks. In effect, use of unpaid compensatory time implies that a decision has been made to perform tasks now at the expense of performing tasks later (at the inflated overtime rate). In order to make these types of decisions, one must have the requisite information available concerning the functions and tasks for which both paid overtime and unpaid compensatory time is being granted. Armed with this information, more reasonable decisions can be made on whether to grant one or both of these overtime measures or whether to approve one in lieu of the other if this option is available.

Another concern with regard to compensatory time as opposed to paid overtime is that, since compensatory time does not represent an immediate cash outlay, it generally does not appear in budgets. Therefore, some perceive it as being less costly than paid overtime or even without cost. Working under these

preconceived notions, compensatory time may be more likely to be approved when another approach may have been taken if information was available. The result is that compensatory time can be costly to an agency and the employing jurisdiction, particularly those that build large backlogs of compensatory time among collective staff members. Additionally, the FLSA requires that officers be compensated in cash when they have exceeded maximum levels of unpaid compensatory time.

As noted in the model policy, agencies should also monitor the degree to which overtime expenditures meet or exceed established overtime budgets on both task and functional bases. The first step in this process, of course, is to ensure that a realistic overtime budget is in place. By means of maintaining good records on overtime usage agencies can adequately project future budget requirements and also determine whether current rates of expenditure exceed projected budgets. Not all overtime can be accurately determined, particularly those involving unusual occurrences. But analysis of prior year histories of overtime expenditures by task, function, and organizational unit can go a long way in predicting future overtime needs.

Analysis of overtime expenditures has implications for both staff and line functions. From the macro budgeting level, overall agency usage levels and patterns are important. But information on expenditures are also important at the line level. Here, analysis of unit and individual overtime usage can detect anomalies that need attention or flag individuals who may be exceeding specified thresholds and who warrant review. In some cases, this can provide early warnings of individual or collective abuses or at least provide the basis for closer examination of how and why these overtime expenditures were made. This is largely a supervisory responsibility. For this reason the model policy requires that:

*Unit commanders and supervisors shall monitor individual and summary data reports of overtime expenditure. Identification of unusual, unexplained or disproportionate expenditures in overtime may include but are not limited to the following circumstances:*

- a. Disproportionate overtime by individual officer(s) engaged in or assigned to the same task/function;*
- b. Significant and unexplained changes in overtime expenditures when compared to similar periods of time;*
- c. Significantly higher overtime costs for completion of the same or similar activities or tasks previously performed; and*
- d. Expenditure of overtime at a rate that could exceed or negatively affect the agency's budget or that of individual units, programs or functions.*

## **B. Recording Overtime**

From the managerial perspective, analysis of overtime usage patterns and trends requires basic record keeping by both organizational unit and function. In other words, administrators need to understand what functions overtime is being used for (e.g., holidays, briefings and roll calls, court appearances, emergency call ups, training, special events management, task force operations, or investigations, among other possibilities) and who is using it, by duty/unit assignment and individual employee. When the expenditures for these functions or units reach predetermined thresholds, a decision can then be made whether to continue current use patterns or to modify them in some manner. However, in order to monitor these expenditures, periodic sum-

mary or profile reports must be provided to appropriate line supervisors and command staff. Thus the model policy directs that:

*The designated entity shall maintain overtime records and provide individual and summary data of overtime worked on a monthly basis to responsible agency supervisors and command personnel.*

Information provided in this manner will allow managers to better determine, for example, whether chronic overtime in specific functional areas or units justifies the addition of more personnel or whether it is so sporadic in nature that the addition of full-time staff would not be cost effective. It will also provide administrators with solid data upon which to develop and justify budget requests for overtime to city, county or state officials.

The U.S. Department of Justice funds a large percentage of overtime expenditures for state and local law enforcement agencies. Where these and related funds are provided, through federal or state programs or local efforts (e.g., task forces), separate accounting of overtime is essential. Records must separate the overtime expenditures of the general department budget from monies that should be charged against federal, state or local sources.

Developing or enhancing record-keeping procedures to accommodate these information requirements depends on the status of an agency's present accounting system. But even for agencies that must start from scratch, the basic reporting requirements are not substantial. The entry of basic information from which reports can be generated is the most time consuming, but the use of basic accounting software can make this job much easier. For small agencies that have extremely modest overtime budgets, most of the basic accounting and reporting preparation can be performed manually.

## **C. Overtime Management**

The model policy emphasizes that first line supervisors have a significant, if not the most important, role to play in managing police overtime. These are the individuals who are closest to employees and the individuals who should know the most about the work they perform. While they do not make the policy or negotiate the labor contracts, they are the first line of defense for ensuring that agency policy is followed and that reporting and related requirements are fulfilled.

For example, management of overtime is not simply a book keeping operation. It includes an understanding of the work habits of those involved and the level of effort required to perform various tasks properly. The model policy emphasizes in particular that:

*Supervisors shall establish and hold personnel responsible for a level of performance during standard work hours that minimizes the need for overtime and/or the need for additional personnel.*

Further, the model policy states that:

*No task or function shall be performed on overtime by agency personnel that could otherwise be performed during regular work hours.*

These types of determinations can best be made by first line supervisors and they are among the types of assessments that have great impact on decisions to use overtime. As these directives suggest, overtime must be reserved for essential work that cannot be performed during regular duty hours by personnel who are performing their jobs in a professional and reasonably expeditious manner.

Approval for various types of overtime should, therefore, begin with the first line supervisor. These individuals are in the best position to evaluate the value associated with the proposed expenditure and the amount of cumulative overtime or compensatory time being expended by individual officers. Shift extensions to accommodate ongoing and critical investigations or to complete arrest and report requirements are among the functions that may be suitable for supervisory approval. In addition, command-level officers should be made available to first line supervisors to assist in implementing agency overtime policy where necessary and to monitor the manner in which their subordinates employ established agency policy. As the model policy indicates, determinations often have to be made regarding the cost-effectiveness of using overtime to accomplish various functions. In some cases, command level officers need to be involved in such decisions, particularly if the decisions involve substantial amounts of overtime. The model policy suggests in this regard that:

*a. Unit and watch commanders and designated supervisors are the personnel primarily responsible for authorizing and managing overtime.*

*b. Division or comparable level command staff must approve overtime requests designed to fill an ongoing personnel vacancy or meet an unusually high yet foreseeable workload (personnel vacancies are authorized staff positions left unfilled when vacated permanently or for extended and indefinite periods of time).*

In addition to providing supervision and authorization for overtime expenditures, supervisory personnel need to be proactive in their attempts to manage overtime. The model policy suggests a number of ways in which this can be performed:

*a. Assign non-emergency service requests received near shift change to oncoming shift personnel.*

*b. Use auxiliary and reserve officers/employees and volunteers where feasible to offset temporary personnel shortages/vacancies and meet specialized needs.*

*c. Anticipate and manage workload requirements where reasonable to best utilize standard duty hours.*

*d. Manage and coordinate vacation, leave and related requests to minimize manpower deficiencies.*

*e. Ensure that officers who make arrests late in their shifts receive available assistance to process prisoners as quickly as possible.*

*f. Ensure that arresting officers in misdemeanor incidents conduct tests, take statements or witness any actions/procedures essential to prosecutions or that only the officer will be needed to testify in court. Arrest reports should include only the minimum number of officers, those who were integral to the arrest and who must be subpoenaed in any subsequent court testimony.*

*g. Ensure that agency overtime policy, rules and regulations and the particulars of any labor agreement are consistently adhered to by agency personnel as they relate to overtime for court appearances, standby, travel time, training, holiday leave, vacations and related matters.*

*h. Coordinate efforts with the court/prosecutor's office to establish overtime limits and control overtime usage.*

## **D. Executive Control and Management**

While the model policy assigns the largest responsibility for overseeing overtime usage to first line supervisors, it goes without saying that they do not make agency overtime policy, nor do these personnel negotiate the labor contracts that so often form the cornerstone for overtime usage. It is the agency chief executive and senior management who ultimately control overtime from this level.

A great deal of overtime is not discretionary and while overtime can be controlled to some extent, there will always be requirements for overtime in law enforcement. The issue then becomes: What can be done from the executive level to help control overtime? Some suggestions have already been made, but one of the most significant considerations has to do with labor negotiations on this issue. Police chief executives must closely consider the implications that labor agreements have on their overtime policies and their budgets. This can only be done with necessary information at hand. A study performed by the U.S. Department of Justice, National Institute of Justice (NIJ) makes this point clear. In that study nearly half of police departments reported the following types of labor contract provisions as controlling elements of their overtime policies.

- Any court appearances by an officer, no matter how short, earned a fixed minimum amount of overtime, as much as three to four hours.

- Officers called back to work were guaranteed a minimum of two hours of overtime, no matter how long they actually worked.

- Supervisors who were on standby in the event of an emergency earned a minimum of three hours of overtime.

- An officer waiting at home to be called to court was allowed a fixed amount of overtime, on the premise that the officer was forfeiting an opportunity to work at another job.

Contract provisions such as these, once enacted, remove managerial discretion and control in these areas. Yet these types of situations can be controlled in the sense that management must first agree to them. Granted, the political and labor environment in which most police chief executives work exerts heavy pressure. But, in some cases, these controls are relinquished without a full appreciation for the programmatic and financial impact they have on the agency and jurisdiction. Police chief executives and contract negotiators need to approach these and similar negotiations armed with information concerning the effects of their decisions. As long as they are aware of and can live with the implications of these decisions, overtime expenditures are less likely to be attacked by political interests or financial overseers.

Aside from the realm of labor contracts, police chief executives can take steps to manage and control overtime usage through informal or formal agreements. For example, court appearances typically constitute one of the largest expenditure areas for police overtime. Agreements may be negotiated with prosecutors' offices to subpoena only those officers who are key to case prosecution. For example, an agreement may be made to exclude in certain types of cases the issuance of multiple subpoenas for prosecution of the same case to officers who served only as passive witnesses, supervisors, transportation officers, and others if they are not directly involved in the arrest and not necessary for case prosecution.

By the same token, agencies may wish to take a close look at the types of events and activities that are being provided to the community and to special interests within the community at premium overtime rates. For example, traffic and crowd control at

stadium events, festivals and specially-sponsored functions are often costly undertakings for police agencies that provide these services on an overtime basis. Even where services are provided for these functions on a straight time basis, depletion of staff hours for these purposes may make overtime necessary later for other activities in order to keep abreast of routine business.

As an alternative these police services may be contracted to the event sponsor as off-duty employment for officers under management and direction of the police agency. Adequate compensation for police overtime or straight-time expenditures may also be required of event sponsors as a basis for acquiring a permit for some special events. Again, these decisions are generally made in a political environment in which certain considerations and trade-offs often need to be made. But these must be informed policy decisions. A degree of control is often within reach of police administrators if they are armed with appropriate information to demonstrate the financial and programmatic impact that these types of services have on the agency and the community.

As pointed out earlier there is often a tendency to examine overtime from the perspective of whether more full-time personnel are needed. Evidence of extensive use of overtime is often taken as prima facie evidence that additional personnel are needed. But overtime can mean many things, as has been pointed out here. It may mean that existing personnel are not being used properly or that they are not performing their jobs in an efficient manner. Or, upon further examination of available information, one may find that other policy and programmatic changes can more easily and productively be implemented to meet staff requirements without the often high startup and long term commitment costs involved with new hires.

Nonetheless, the use of overtime may ultimately be the most cost effective means of meeting certain types of unpredictable manpower requirements. This is particularly the case where analysis reveals that certain types of emergencies require officer call backs or where major case investigations may require extensive work in a short period of time with limited resources. On the other hand, consistent and routine backfilling of staff to meet task requirements that occur on a more or less routine basis, often suggests the need for hiring additional full-time staff. This is the case as long as the possibility of meeting these needs through re-deployments of existing staff has been considered.

In the final analysis, the key to making appropriate decisions regarding overtime usage is to develop, monitor and maintain an effective overtime management information system. But as the authors of the aforementioned NIJ study noted, sometimes there

are managerial fears that must be overcome before this can happen. They note:

*Successful management of police overtime requires assistance [from] outside police departments. At present, police managers often fear that providing outsiders, such as city councils and the media, with information about overtime practices will expose the department to unfair criticism. This is one reason why some departments are reluctant to implement computer-based monitoring and on-line analysis of overtime. Police managers should realize, however, that factual information about overtime, if it is properly explained, can strengthen their position in advocating needed reforms both inside and outside their organization. Managers have more to fear from lack of information than from too much.*

David H. Bayley and Robert E. Worden, "Police Overtime: An Examination of Key Issues," National Institute of Justice, U.S. Department of Justice, May, 1998. Copies of this document may be obtained from the National Institute of Justice/National Criminal Justice Reference Center, Tel: 1-800-851-3420 or 1-301-251-5500. Documents may also be downloaded from the same source over the Internet at [www.ncjrs.org](http://www.ncjrs.org).

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Every effort has been made by the IACP National Law Enforcement Policy Center staff and advisory board to ensure that this model policy incorporates the most current information and contemporary professional judgment on this issue. However, law enforcement administrators should be cautioned that no "model" policy can meet all the needs of any given law enforcement agency. Each law enforcement agency operates in a unique environment of federal court rulings, state laws, local ordinances, regulations, judicial and administrative decisions and collective bargaining agreements that must be considered. In addition, the formulation of specific agency policies must take into account local political and community perspectives and customs, prerogatives and demands; often divergent law enforcement strategies and philosophies; and the impact of varied agency resource capabilities among other factors.

## **Appendix C**

# Model Policy

<i>Effective Date</i> <b>August 1999</b>		<i>Number</i>
<i>Subject</i> <b>Overtime</b>		
<i>Reference</i>		<i>Special Instructions</i>
<i>Distribution</i>	<i>Reevaluation Date</i>	<i>No. Pages</i> <b>2</b>

## I. PURPOSE

The purpose of this policy is to provide a structure for monitoring, managing and controlling the use of personnel overtime.

## II. POLICY

All personnel of this agency must be mindful of and exercise fiscal responsibility in the use of public funds and resources. Overtime pay requires particular attention because it constitutes a sizeable expenditure of agency revenue that are provided at premium rates. Without adequate controls, unplanned expenditures can create budget overruns and divert resources from key operational areas. Therefore, it is the policy of this agency to effectively manage the use of overtime and that of each employee to use overtime in a responsible manner and judicious manner.

## III. DEFINITIONS

*Overtime:* Work performed in excess of 40 hours in one week or as otherwise established by state law.

*Fair Labor Standards Act (FLSA) (29 U.S.C. 207(a)):* Federal law regulating wages and work hours to include provisions for overtime pay.

## IV. PROCEDURES

### A. General Provisions

1. This agency conforms to overtime provisions of the FLSA and applicable state laws. Personnel shall refer to this agency's personnel pay policy, FLSA policy and labor agreements for details on exempt and non-exempt positions, circumstances in which overtime pay may be granted, rates of payment for all overtime that

qualifies for payment at the premium rate and related matters.

2. Whenever reasonably possible, paid overtime will be used in lieu of unpaid compensatory time off.
- B. Reporting, Recording and Analysis
  1. All overtime worked shall be approved for payment by the designated supervisor. The category of overtime work performed shall be coded in accordance with agency personnel procedure and forwarded by unit commanders to the designated agency unit for recording, accounting and analysis.
    - a. Paid overtime and unpaid compensatory time will be recorded separately.
    - b. Overtime expenditures shall be kept separately by function (e.g., briefings and roll calls, training, investigations) and by the agency unit in which the expenditure is incurred. Individual and summary data will be compiled on at least a monthly basis.
    - c. Overtime funds expended under federal or state grant programs will be accounted for separately from those in the general budget.
  2. The designated entity shall maintain overtime records and provide individual and summary data of overtime worked on a monthly basis to responsible agency supervisors and command personnel.
  3. Unit commanders and supervisors shall monitor individual and summary data reports of overtime expenditure. Identification of unusual, unexplained or disproportionate expenditures in overtime may include but are not limited to the following circumstances:
    - a. Disproportionate overtime by individual



officer(s) engaged in or assigned to the same task/function;

- b. Significant and unexplained changes in overtime expenditures when compared to similar periods of time;
- c. Significantly higher overtime costs for completion of the same or similar activities or tasks previously performed; and
- d. Expenditure of overtime at a rate that could exceed or negatively affect the agency's budget or that of individual units, programs or functions.

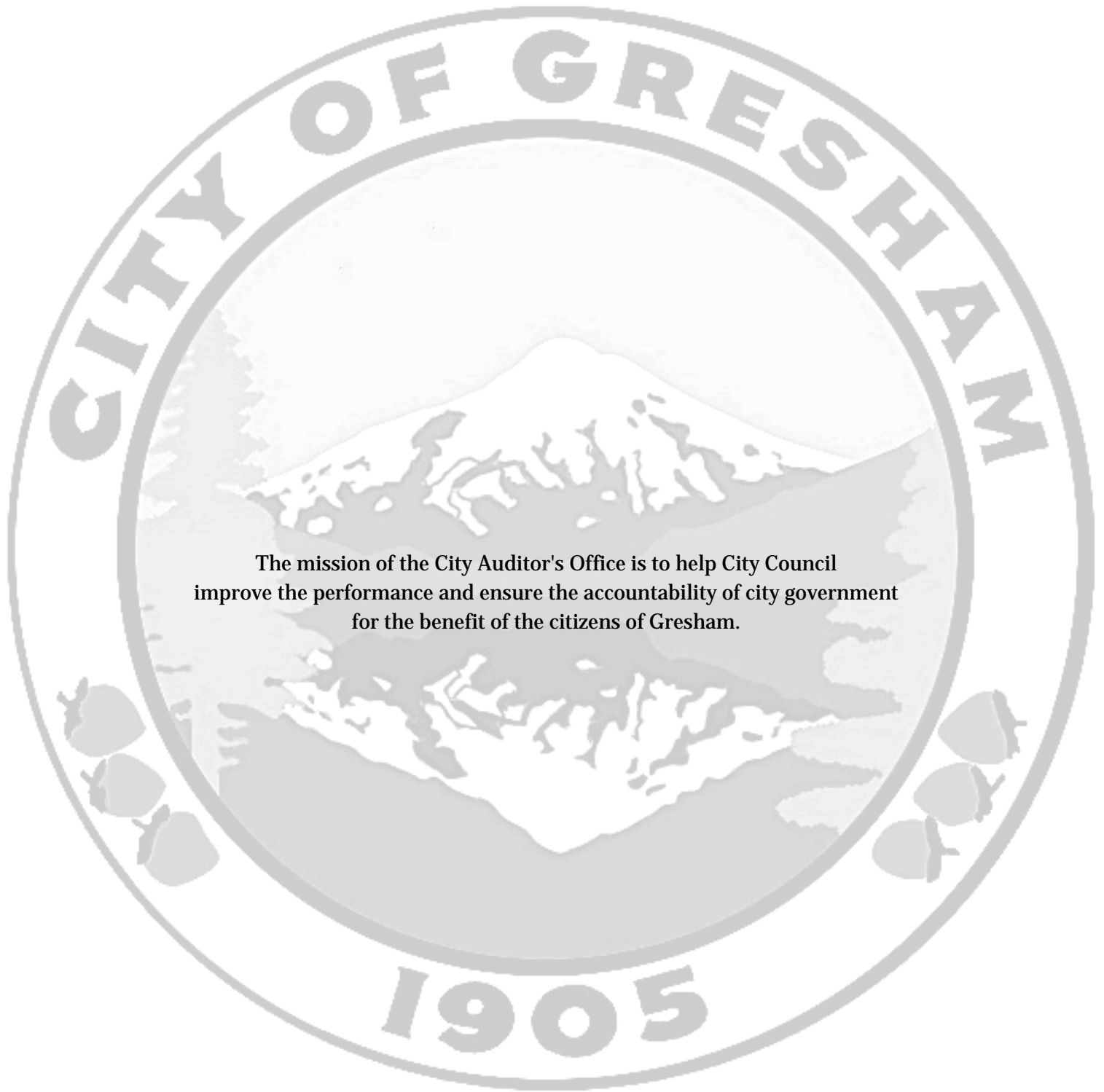
### C. Overtime Management

1. No task or function shall be performed on overtime by agency personnel that could otherwise be performed during regular work hours.
2. Supervisors shall establish and hold personnel responsible for a level of performance during standard work hours that minimizes the need for overtime and/or the need for additional personnel.
3. Only overtime required to meet vital service demands of the department shall be authorized.
4. All tasks and functions that require the use of overtime shall be routinely evaluated in terms of their cost-effectiveness. Alternatives to the use of premium pay to accomplish these tasks or program objectives shall be evaluated and implemented where appropriate.
5. All overtime must receive advance authorization unless unreasonable due to emergency circumstances.
  - a. Unit and watch commanders and designated supervisors are the personnel primarily responsible for authorizing and managing overtime.
  - b. Division or comparable level command staff must approve overtime requests designed to fill an on-going personnel vacancy or meet an unusually high yet foreseeable workload. (i.e., personnel vacancies are authorized staff positions left unfilled when vacated permanently or for extended and indefinite periods of time).
6. Supervisors and command staff shall take measures and issue directives where reasonably possible to reduce or limit the demand for overtime. This includes but is not limited to supervisory efforts to perform the following.
  - a. Assign non-emergency service requests received near shift change to on-coming shift personnel.

- b. Use auxiliary and reserve officers/employees and volunteers where feasible to offset temporary personnel shortages/vacancies and meet specialized needs.
  - c. Anticipate and manage workload requirements where reasonable to best utilize standard duty hours.
  - d. Manage and coordinate vacation, leave and related requests to minimize manpower deficiencies.
  - e. Ensure that officers who make arrests late in their shift receive available assistance to process prisoners as quickly as possible.
  - f. Ensure that arresting officers in misdemeanor incidents conduct tests, take statements or witness any actions/procedures essential to prosecution so that only the officer will be needed to testify in court. Arrest reports should include only the minimum number of officers; those who were integral to the arrest and who must be subpoenaed in any subsequent court testimony.
  - g. Ensure that agency overtime policy, rules and regulations and the particulars of any labor agreement are consistently adhered to by agency personnel as they relate to overtime for court appearances, standby, travel time, training, holiday leave, vacations and related matters.
7. Coordinate efforts with the court/prosecutor's office to establish overtime limits and control overtime usage.

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